



## Triveni Turbine Limited

Instrument	Amount	Rating
	<b>In Rs. Crore</b>	
Fund Based Limits	26.75	[ICRA]AA- (Stable) <i>reaffirmed</i>
Non-Fund Based Limits	311.94	[ICRA]A1+ <i>reaffirmed</i>

ICRA has reaffirmed the long term rating at [ICRA]AA- (pronounced ICRA double A minus) and short term rating at [ICRA]A1+ (pronounced ICRA A one plus) assigned to Rs. 338.69 Cr bank lines of Triveni Turbine Limited (TTL)\*. Outlook on the long term rating is Stable.

ICRA's rating reaffirmation factors in the market leadership position of the company in the business of manufacture of steam turbines of up to 30 MW segment size, arising out of long experience in the industry, strong after sales service network and technical and cost competitiveness. These strengths are further augmented by the association of the company with GE Oil and Gas in the 30 to 100 MW segment where the JV company (GE Triveni Limited, Joint Venture of GE and TTL) has a strong order book position. Helped by a strong growth in export orders, the company has been able to report a 23.6% jump in its operating income with steady profitability. Despite competition and also currency devaluations (some of which were more than INR), the company has been able to expand its export presence by providing good value engineering and faster turnaround to its customers and its constant focus on introducing new designs to better suit the evolving customer requirements. The lucrative aftermarket business too has grown (33.6% yoy in FY15) which augurs well for the company's bottom line. These factors have resulted in healthy profitability while steady accruals. Low working capital intensity of operations, arising mainly out of favorable working capital intensity owing to access to advances from customers, have resulted in debt free capital structure and strong coverage indicators.

The ratings are however constrained by the sensitivity of the order-book to domestic and global economic slowdown; however these concerns are mitigated by the diversified customer base. The company has very timely established itself in over 50 countries and is geared to gain traction from its current installed base going forward. ICRA notes the competition faced by the company from large players with global presence and also the ability of the company to differentiate in terms of lesser delivery time and also lower costing.

Going forward, the ability of the company to sustain its order booking in the international market will help it to achieve strong top-line growth which will percolate to the bottom line as the company continues to remain debt free. Any revival in the domestic markets will give additional fillip to the company's earnings.

### Company Profile

Triveni Turbine Limited (TTL) is a leading industrial steam turbine manufacturing company. It is largely present in steam turbines of less than 30 MW capacity; and has started manufacturing larger steam turbines in a JV with GE Oil and Gas. It was a division of Triveni Engineering Industries Limited since 1970s and is demerged with effect from October 2010. Over the years it has done more than 2500 installations in the domestic market and in export market. Its manufacturing plant is located in Peenya Industrial area. In FY15, TTL reported Rs. 628.17 Cr operating income, and Rs. 91.08 Cr net profit while in FY14 it has reported Rs. 508.27 Cr Operating Income and Rs. 68.45 Cr net profit.

**June 2015**

\* For complete rating scale and definitions please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications



*For further details please contact:*

*Analyst Contacts:*

**Mr. Sabyasachi Majumdar (Tel. No. +91 124 4545304)**

[sabyasachi@icraindia.com](mailto:sabyasachi@icraindia.com)

*Relationship Contacts:*

**Mr. Jayanta Chatterjee (Tel. No. +91 80 43326401)**

[jayantac@icraindia.com](mailto:jayantac@icraindia.com)

© Copyright, 2015, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001  
Tel: +91-11-23357940-50, Fax: +91-11-23357014

**Corporate Office****Mr. Vivek Mathur**

Mobile: **9871221122**

Email: [vivek@icraindia.com](mailto:vivek@icraindia.com)

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002  
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax: +91- 124-4050424

**Mumbai****Mr. L. Shivakumar**

Mobile: **9821086490**

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

1802, 18th Floor, Tower 3,  
Indiabulls Finance Centre,  
Senapati Bapat Marg,  
Elphinstone, Mumbai 400013,  
Board : +91-22-61796300; Fax: +91-22-24331390

**Kolkata****Mr. Jayanta Roy**

Mobile: **+91 9903394664**

Email: [jayanta@icraindia.com](mailto:jayanta@icraindia.com)

A-10 & 11, 3rd Floor, FMC Fortuna  
234/3A, A.J.C. Bose Road  
Kolkata—700020  
Tel +91-33-22876617/8839 22800008/22831411,  
Fax +91-33-22870728

**Chennai****Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

5th Floor, Karumuttu Centre  
634 Anna Salai, Nandanam  
Chennai—600035  
Tel: +91-44-45964300; Fax: +91-44 24343663

**Bangalore****Bangalore****Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

'The Millenia'  
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,  
Murphy Road, Bangalore 560 008  
Tel: +91-80-43326400; Fax: +91-80-43326409

**Ahmedabad****Mr. L. Shivakumar**

Mobile: **989986490**

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

907 & 908 Sakar -II, Ellisbridge,  
Ahmedabad- 380006  
Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-  
79-25569231

**Pune****Mr. L. Shivakumar**

Mobile: **989986490**

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

5A, 5th Floor, Symphony, S.No. 99, CTS 3909, Range Hills  
Road, Shivajinagar, Pune-411 020  
Tel: + 91-20-25561194-25560196; Fax: +91-20-25561231

**Hyderabad****Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

4th Floor, Shobhan, 6-3-927/A&B, Somajiguda, Raj  
Bhavan Road, Hyderabad—500083  
Tel:- +91-40-40676500